S0465-1

ARIZONA ECONOMIC TRENDS

A PUBLICATION OF
THE
ARIZONA
DEPARTMENT
OF
ECONOMIC
SECURITY

June
1992

JTPA Program Assists, Trains Out-of-Work

Note: In light of the number of major layoffs that have occurred nationally and in Arizona in the past few years, articles in the April, May, and June issues of Arizona Economic Trends are looking at several pieces of federal legislation designed to soften the blow — for laid-off workers, as well as local communities — when massive displacement of workers occurs. The articles are explaining the functions of the laws, plus their results and effectiveness on a national and statewide basis.

In the April issue, two stories focused on the Mass Layoff Statistics (MLS) program, an eight-year-old, data-collection program that tracks layoffs of 50 or more workers — through unemployment insurance records — in nearly all states and Washington D.C.

Last month's issue focused on the Worker Adjustment and Retraining Notification Act (WARN), which took effect in early 1989 and, with some exceptions, requires medium-size and large companies to give early notification to workers and communities when they plan major layoffs or are closing. And this month, Arizona Economic Trends looks at the Job Training Partnership Act's Title III program, which provides job-search skills and retraining for displaced workers to speed their re-entry into the workforce.

Third in a series

"Companies may slash 700,000 jobs this year"

"Hughes to cut 8,500 jobs"

"BankAmerica plans job cuts — Up to 12,000 in 3 years"

News headlines about permanent layoffs and plant shutdowns have become distressingly familiar in Arizona and across the nation the past several years, overshadowing any positive economic news — such as lower interest rates — and making workers more fearful about their future. And says Dan Lacey, employment authority and editor of *Workplace Trends*, the bad news is far from over.

According to Lacey, major employers permanently cut an estimated 316,000 U.S. jobs in 1990 and 556,000 jobs in 1991, with probably more than another estimated 400,000 permanent cuts expected this year. However, what may be more shocking news, is that cuts like these have been going on since the late 1970s, but not many people noticed, says Lacey, whose publication tracks employment by major corporations.

" 'The point is that this process is a historic one going on for many years,' " Lacey was quoted as saying earlier this year in *USA Today*. " 'It will continue for the foreseeable future, probably into the 21st century.' "[1]

Lacey says that major corporations began downsizing in the late 1970s. But until the recent recession most of the full-time permanent employment losses went unnoticed by the media. Fortune 500 companies' employment,

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says Lacey, has dropped from 16 million in the late '70s to around 12 million currently and will likely fall to 8 million by the end of the century.

Of course, mass layoffs and plant shutdowns are not a new phenomenon in this country's post-World War II economic history. But as pointed out in the April and May issues of *Arizona Economic Trends*, whereas the majority of layoffs and plant shutdowns prior to the 1980s tended to be temporary and for shorter periods — due to a normal cycle of economic slowdown — mass layoffs of recent times are increasingly of the permanent variety and are being driven by a number of factors.

Some of the reasons are: a lingering sluggish economy, likely to continue to grow slowly as consumers pay off debt and remain fearful about the future; a shrinking manufacturing base due to increased world competition, which has forced companies to restructure and cut staff to core levels to remain competitive; debt-burdened companies — due to the excesses of expansion and mergers of the '80s — facing bankruptcy and forced to cut positions to remain afloat; and defense and related manufacturers slashing jobs as government contracts dry up.

The end result has been a major upheaval in the U.S. workforce — particularly among those who lack a college education or are in a declining industry — with laid-off workers (and those just entering the workforce) having to work harder than ever to find employment. In recent years, fewer and fewer laid-off workers have found comparable-paying jobs upon re-entering the workforce; another segment has been forced to go back to school or enter training or retraining programs; and still others, frustrated at not finding work, have given up and are now among the nation's estimated 2 million discouraged workers.

Need to Retrain Laid-Off Workers

The intensity and structural nature of recent mass layoffs leads to two important questions: Short-term — How does the country get laid-off workers back into the workforce quickly and into long-term jobs? Long-term — How can the country avoid a similar problem in the future?

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>
> ***—Ruth H. Fedrau, Developer of Employee-Training Programs***

Regarding the latter, recent trends and a more competitive world economy have sent a major signal to workers, employers, and public officials about the need for a well-defined, long-term strategy for the country's workforce needs, says a recent U.S. Labor Department study. "No longer are these economic dislocations seen simply as an unfortunate side effect of economic progress; instead, they are viewed as a warning that the nation must prepare today's workers for jobs of the future," the report says.[2]

Along this same line, several recent reports have concluded that for the U.S. workforce to be competitive in a world economy, it must be more adaptable and have higher levels of education and training by the end of this century.[3] But, in addition, Lacey says that a change in philosophy regarding government programs, such as unemployment insurance (U.I.), will be necessary for any plans to work.

Current and future jobs, on average, will last seven years, says Lacey, and because of that workers will need to be able to take time off — without loss of U.I. benefits — five or six times in their lifetime for meaningful retraining. "We're admitting that future jobs will frequently change and workers will have to take a breather (to retrain)," Lacey says.

While these policies are being formed, however, there is a more pressing need for short-term solutions to find jobs for the unemployed, particularly the structurally dislocated worker. And one approach that has come to the fore in the last two decades are re-employment assistance programs, which offer services such as job counseling, job-search skills, and retraining. The focus of the rest of this article will be on the primary federal program involved in this area, the Job Training Partnership Act's Title III program.

Overview of Retraining Programs

Today's Title III program primarily evolved out of voluntary plant-closure practices of large corporations during the 1960s and '70s.[4] As part of benefit packages, companies such as Armour, Brown and Williamson, and Goodyear Tire and Rubber began offering outplacement and retraining services to laid-off workers.

Although given in part for paternalistic motives, both the employer and employee recognized the benefits of easing the worker's transition from job loss to employment. For the employee, it helps develop job-hunting or training options, as well as maintain morale by showing the company treats its workers with compassion; for the employer, the advantages include maintaining the morale of employees leaving and staying, and reducing costs by limiting the time that unemployment insurance and other benefits are paid to laid-off employees.

Around the same time, states such as California began pioneering efforts to help dislocated workers by forming

public-private partnerships with small and large companies to develop plant-based and community-based placement programs and comprehensive worker-assistance centers. "The worker-assistance center has consistently proven to be the most cost-effective, efficient approach for laid-off workers," said Ruth Fedrau, a developer of employee training programs, in an article in the May 1984 issue of *Monthly Labor Review*.[5] "It allows for an intensive re-employment effort to be mounted on behalf of the workers, direct participation by the company and union, and effective coordination of funds and resources."

One of the first pieces of federal legislation that offered retraining to displaced workers was the Manpower Development and Training Act (MDTA) of 1962, which provided funds to retrain workers displaced by new technology. But when little dislocation occurred, the program's funds were shifted to help the poor and unemployed.[6]

Then in 1974, Congress created the Trade Adjustment Assistance (TAA) program, which offered employment assistance and income maintenance to workers who were displaced due to foreign competition and is still in effect today. The TAA's target group, however, was limited in scope, and when new job-training legislation was proposed in 1982 — the Job Training Partnership Act (JTPA) — Congress decided that a more far-reaching program — one that involved public- and private-sector cooperation — was needed to assist workers dislocated for a wide variety of reasons.

But with the enactment of any new legislation as comprehensive as JTPA — which offers job-training for a variety of groups (e.g., disadvantaged adults, youth during summer) — there are usually a number of start-up problems, as was the case with Title III program during its first few years of operation. According to a recent Labor Department report, the initial Title III program had a number of perceived flaws, including:[7]

- an inability to respond quickly when mass layoffs occurred;
- an overemphasis on job-search assistance and short-term training;
- a lack of organizational structure and access to special funding when the need occurred;
- and a lack of consistency in the program from state to state, with some states giving the help needed for maintain long-term employment, while in others the program was only offering basic job assistance (e.g., job interview skills).

To deal with these perceived problems and strengthen Title III, Congress passed the Economic Dislocation and Worker Assistance Act (EDWAA) in 1988, which took effect

Table 1

Example of Rapid-Response Activities and Subsequent Services

To better understand how the JTPA Title III program works, following is a brief overview of what events would likely occur after a company announces a mass layoff and uses the dislocated-worker program. Dislocations due to mass layoffs are currently the largest source of Title III clients.

July 1	XYZ Co. announces it will move its plant to another state, laying off about 100 employees, and files a WARN notice with the state's Dislocated Worker Unit (DWU).
July 5	A representative from DWU's rapid-response team contacts XYZ and asks if the company would be interested in using Title III services. Company agrees and sets up a meeting with rapid-response representative to discuss specifics of layoff and find out what services are available.
July 19	At initial meeting, XYZ gives details about layoff, including type of employees affected; what unions, if any, are involved; and timetable for layoffs. At same time, DWU representative explains in detail Title III services available — job-search skills, job training, counseling — and discusses with employer where employee-assistance center will be located (on or away from workplace).
Aug. 2	At second meeting, members of rapid-response team, company, and union or employee representatives discuss employee needs and if additional resource requirements (e.g., discretionary funds) are needed, then DWU develops service plan over next couple of weeks.
Aug. 16	Employee-assistance center opens at off-site location with orientation meeting. Employees seeking services sign up and attend a series of employability workshops, which give information on subjects such as labor-market conditions, resume writing, and interviewing and job-search skills; those considered for retraining may take job-aptitude tests.
Aug. 23	Clients begin receiving job counseling and develop long-term employability plan. Those with transferrable skills begin looking for jobs with help of assistance center, while others begin retraining programs.
Oct. 16	Eight to 10 weeks after employee-assistance center opens, clients with transferrable skills that are unsuccessful in landing new jobs are reconsidered for job retraining.

in July 1989. Some of the ways EDWAA changed the Title III program were:[8]

- to set up a network of substate organizations to run local-area, dislocated-worker programs and require that 60 percent of the state's Title III funding go to substate groups, with 50 percent of that funding going to retraining;
- to set up a rapid-response units at the statewide and substate level to contact companies (preferably within 48 hours) after they announce major layoffs in order to quickly initiate a dislocated-worker assistance program;
- to promote labor-management cooperation in designing and implementing services for dislocated workers;
- and to encourage states to take a long-term view for worker re-adjustment in their Title III programs, by including meaningful retraining programs and long-term re-employment plans.

Table 2

Typical Services Available at Worker-Assistance Centers

Orientation and Benefits Counseling — Explanation of services available, encourage worker participation, and provide information on employee benefits such as severance pay and early retirement options.

Self-Help Re-employment Assistance — Job-search workshops, job clubs, assistance with resume development, resource materials, and job counseling.

Services to Offset Impact of Job Loss — Individual counseling, stress management workshops, and referrals to social service agencies.

Direct Placement Assistance — Job development, job-placement information and counseling, coordination with the state Job Service and local employment and training agencies, and relocation assistance.

Education and Retraining — Assists in acquiring basic education and occupational skills needed to make transition to new jobs and careers; on-the-job training is usually available.

Source: U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, 1989

Arizona's Title III Program

The Department of Economic Security's JTPA Administration oversees Arizona's Title III program, with a four-person Dislocated Worker Unit in Phoenix handling statewide Title III functions and four substate programs carrying out local-area activities. The four substate programs are: City of Phoenix; Maricopa County, except City of Phoenix; Southern Arizona, which operates out of Tucson and covers Pima, Cochise, Santa Cruz, and Yuma counties; and Northern Arizona, which operates out of Globe and covers the rest of state's counties.

Some of the responsibilities of the statewide program, which receives 40 percent of the state's annual funding, include: overall program administration; statewide rapid-response activities (see below); facilitating re-adjustment services (e.g., job-search skills, retraining); acting as a clearinghouse of information on plant closings and mass layoffs (including WARN notices); providing technical information on rapid-response activities; and submitting proposals for discretionary Title III grants when the need arises, such as the closure of Williams Air Force Base (see below).

The substate programs, which receive 60 percent of the state's funding, are primarily responsible for: serving as members of the state and their respective local-area rapid-response teams; providing information to the DWU on mass layoffs and plant shutdowns in their local areas; facilitating re-adjustment services for local areas; and developing a localized plan for operating its area's Title III programs, including determining priority groups of clients.

For program year (PY) 1992-93 (July 1, 1992-June 30, 1993), the state's share of federal Title III funding is expected to be about $3.7 million, down about 5 percent from the previous planning year and 30 percent from two planning year's ago. However, the state's basic funding level does not include discretionary grants, which the state can apply for as the need arises and in the last 12 months have added several million dollars to Arizona's funding level (see below).

At the substate level, Arizona allocates its 60 percent dollars based on a formula that takes into account a number of factors, including unemployment rates and the number of long-term unemployed. Following are the current allocation percentages: Northern SSA — 23.7 percent; Southern SSA — 34.7 percent; City of Phoenix SSA — 22.8 percent; and Maricopa County SSA — 18.9 percent.

To qualify for Title III services in Arizona, an unemployed worker must first be eligible under federal standards as a dislocated worker. The Title III program defines a dislocated worker as an unemployed worker who: a) has been laid off, is eligible for or has used up U.I. benefits, and is unlikely to return to a previous industry or occupation; or b) had been terminated due to a permanent plant closing; or c) was among the long-term unemployed (15 or more weeks)

and had little or no chance of being re-employed in the same or similar occupation.

Beyond that, both Arizona's statewide program and each substate area select priority groups of dislocated workers they wish to serve first. For example, Arizona's statewide program gives its highest priority to dislocated workers with lower educational attainment (e.g., lack of high school degree), while the Southern Arizona substate program area has two high priority groups: those who are unlikely to return to their previous industry or occupation and those laid off due to business closure (usually in mass layoffs).

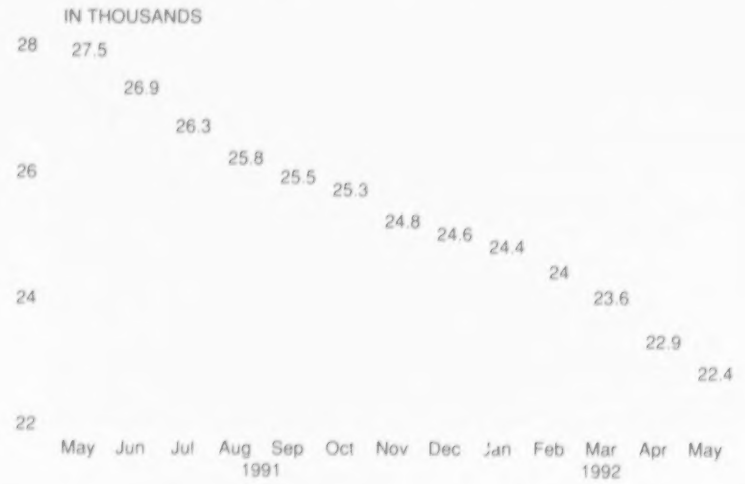
According to the state's Title III plan, at a minimum, about 1,300 dislocated workers will be "served" — receiving job-search assistance or retraining — by the statewide and substate programs during PY 1992-93 from basic funding. But in addition, Arizona will likely serve another couple of thousand during the program year through funding from discretionary grants.

Tommy Landa, Arizona JTPA Targeted Programs Manager and head of the state's Dislocated Worker Unit, estimates that through basic funding the state currently serves about 5 to 8 percent of persons who are eligible for the Title III program. And of those, its equally divided among persons receiving basic re-adjustment services (e.g., resume writing — see Table 2) and some form of training. However, because of the high cost of training, less than one-quarter of the clients overall have been receiving long-term training (26 weeks or more), which may lead to the best opportunity for finding work and higher wages.

As far as areas of training currently being emphasized, the director of the Regional Re-employment Center in Tucson, which operates the Southern Arizona substate re-assistance program, says that medical- and environmental-related occupations are drawing a lot of attention because

Figure 1

Arizona Aircraft and Missiles Wage and Salary Employment, May 1991-May 1992



Source: Arizona Dept. of Economic Security, Research Administration, June 1992

many of his current clients can make an easy transition to those sectors. For example, says Armando Sanchez, engineers currently being laid off at Hughes Aircraft Co. may only have to take short-term certification program (eight to 16 weeks) at a community college to qualify for certain technical jobs in those industries. Sanchez says about 20 unemployed software programmers at his center have recently taken an 8- to 12-week course in a medical software program being used by hospitals.

EDWAA Emphasizes Rapid Response

With the passage of EDWAA, a major emphasis of the Title III program became serving dislocated workers affected by mass layoffs and making sure help is given as quickly as possible. A 1986 Congressional report on plant closings pointed out: " ... it is difficult even to let workers know that help is available after they are out of work and out of touch."[9]

As mentioned earlier, EDWAA requires each state to set up rapid-response teams within DWUs, along with several mechanisms to make Title III services available to employers and employees within a short period of time. In most states, including Arizona, rapid-response teams consist of the state's Dislocated Worker Unit — along with other public-support agencies (e.g., Job Service, Unemployment Insurance) — that organize a broad-based response to a dislocation event (see Table 1). (In Arizona, a rapid-response team responds to layoffs that involve 20 or more persons, or 10 percent of the company's workforce.)

Landa says ideally his rapid-response unit would like to begin helping workers eight weeks before they are laid off, but in practice his DWU usually has only two to three weeks. Landa says having additional pre-layoff time is crucial for having a successful re-assistance program because at first, laid-off workers are upset and not ready to find new work, and because it usually takes several weeks — and longer in the case of discretionary grants — to develop a comprehensive re-adjustment program.

"It takes from two weeks to four

months (depending on the number of workers' involved) to prepare a comprehensive adjustment program, including testing and assessment, counseling, job-search skills training, job development, vocational skills training, and remedial education," Landa says.

But getting access to laid-off employees before they hit the street is not always an easy process. For a variety of reasons, many of the companies having mass layoffs — particularly in Maricopa County — refuse to work with or are not aware of the Title III program, Landa says. And although employees who are eligible for Title III services can still use them without employer participation, many times they are not made aware of the program until they are leaving the company, which decreases their chances of finding work quickly.

On the other hand, Pima County's program has had a lot of success in getting employers to participate in Title III programs, Landa says, through its reputation, by building trust between the employer and government, and by making the company aware of what the program can offer. "We've had a good track record and developed a good relationship with employers," says Sanchez. "When they're not laying off people, they're hiring. They got to know who you are and trust you."

Measuring Success of Program

Although employer participation is one way of telling the success of a state's Title III programs, there are other ways to measure their effectiveness. One of the primary ways is through a wide range of data JTPA collects on Title III programs at the substate, state, and national level.

Some of these measures include: the percentage of Title III participants that find employment and are still employed 90 days later, known as the "entered employment rate" and "employment rate at follow-up," respectively; the number and cost of participants served; and clients' wages prior to a layoff and after re-employment.

In both program years 1989 and 1990, for instance, Arizona's Title III programs overall had much higher "entered employment rates" and "employment rates at follow-up" than nationally. The U.S. rates for those two categories in PY 1989 were 68 and 71 percent, respectively, compared to Arizona's 86 and 77 percent. And in PY 1990, the U.S. rates were 70 and 71 percent, compared to Arizona's 89 and 85 percent.

On the surface, Arizona's high rates of success in re-employing people are impressive. But Landa says the rates also reflect the fact that some of the state's Title III programs are not attracting enough high-salaried clients, who may have a harder time in finding comparable-paying jobs. Only about 10 percent of the clients in the City of Phoenix and Maricopa County Title III programs are making $35,000 or above, Landa says.

Also, data on money spent per client in Arizona may indicate that not enough intensive training for high-end jobs is being given. In program years '89 and '90, for example, two categories showing the cost of Title III clients — "cost per participant" and "cost per entered employment" — indicate that Arizona spent per client about one-third to one-half what was spent nationally. In PY 1990, nationally an average of $1,384 was spent per participant and $3,360 was spent per client that found employment. In Arizona, however, the cost per participant was $857 and cost per entered employment was $1,803.

But it appears, at least of late, that the state's programs are re-employing clients fairly close to the wages they received prior to losing their jobs. Data available on three of Arizona's four substate programs, for the period of July 1, 1991 through March 31, 1992, show that Title III clients were being re-employed at about 80 percent of their previous wages. And in the Southern Arizona program, clients were receiving about 86 percent of their previous wages, which is well above that substate area's target of between 70 and 80 percent.

Arizona Snags Discretionary Funds

Finally, when Congress initially set up the Title III program, it decided that 25 percent of the program's annual funding — about $120 million for fiscal year 1993 (Oct. 1, 1992-Sept. 30, 1993) — would go into a discretionary pool to assist workers dislocated by special events, such as large mass layoffs, natural disasters, Federal government actions, or in areas of high unemployment.[10] Then, as the need arises, each state can apply for discretionary money.

The big advantage of discretionary grants is that all of the money must be used for specific projects, which allows states to spend more time planning for its allocation. Also, 50 percent of Title III clients funded by discretionary grants must receive some form of training, which tends to guarantee a higher rate of job placement.

Currently, discretionary grants are playing a major role in Arizona's Title III funding, primarily because of the current and anticipated loss of defense industry jobs. The Defense Department recently projected that Arizona will permanently lose about 17,000 military and civilian jobs, or one of three nationally, over the next six years due to planned cutbacks in defense spending.[11] And Figure 1 gives evidence to their impact over the past year.

Over the past 12 months, Arizona's JTPA program has landed six discretionary grants. Among the largest are: $2.25 million to help dislocated workers in Arizona's aerospace industry, hurt by defense cutbacks and a sluggish airline industry; $1.25 million for employees at Hughes Aircraft Co., which has laid off several thousand employees at its missile plant in Tucson; and $2 million for civilian and military employees at Williams Air Force Base, which will shut down in 1993.

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Jobless Rate Fell Sharply in April Throughout State

Arizona's seasonally adjusted unemployment rate declined eight-tenths of one percentage point in April to 7.5 percent. This is the largest decline in the rate since it began moving up from 4.6 percent a year ago. Notably, the seasonally adjusted unemployment rate dropped in all 15 counties in April, where the rates ranged from a low of 5.1 percent in Pima County to a high of 20.7 percent in Yuma County.

The state's total employment increased significantly in April, up

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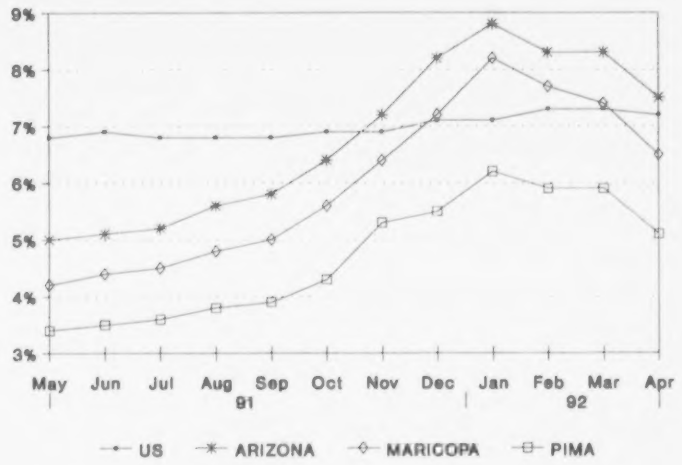
29,500. Most of the increase was due to a rise in the number of self-employed persons. Also, the number of multiple jobholders — individuals with two or more jobs — decreased sharply during the month.

As might be expected with a sharply lower rate, total unemployment in Arizona declined in April by 17,300, the largest over-the-month drop since September 1983. Much of this improvement was the result of fewer out-of-state job seekers moving to Arizona and fewer people entering the labor force looking for work.

Arizona's non-farm wage and salary employment was essentially unchanged from March levels. Over-the-month gains job gains occurred in only two major industry groups — construction and FIRE (finance, insurance, and real estate). Employment in TCPU (transportation, communications, and public utilities) was unchanged in April, while all other industry groups declined with trade and services losing the most. Over the year, wage and salary employment was up 4,500, for a modest three-tenths of one perent gain.

Figure 1

U.S., Arizona, Maricopa County, and Pima County Unemployment Rates (Seasonally Adjusted), May 1991-April 1992



Source: Arizona Dept. of Economic Security, Research Administration, May 1992

Construction Jobs Up 2.6 Percent

Statewide, construction added 2,000 new jobs in April, for an over-the-month increase of 2.6 percent. And since April 1991, construction employment in Arizona grew by 2,800. As was the case in March, the subindustry of special trades contributed the most to construction's gains, adding some 1,500 jobs in April.

Maricopa County added the bulk of the new construction jobs (1,300, or a 2.6 percent gain) with most of the gains in special trades. Since April 1991, 4,600 more construction jobs were added in Maricopa County, representing an over-the-year increase of 2.3 percent. In Pima County, construction employment increased 2.1 percent in April with 300 jobs added. This represents a robust 8 percent increase, or 900 more jobs, since April 1991. Over-the-month gains occurred in special trades, and general and heavy construction.

Grouping Arizona's northern counties (La Paz, Mohave, Coconino, Yavapai, Navajo, and Apache), construction gains occurred in every category with heavy and general construction leading the way. Construction-related growth in the northern counties even helped manufacturing sectors, such as fabricated metals, to add jobs. Meanwhile, the state's southern non-metro counties (Yuma, Santa Cruz, Cochise, Graham and Greenlee) as a whole showed slight employment gains in construction, but only in special trades and heavy construction.

Arizona's trade and services sectors each lost about 700 jobs in April. Typically, seasonally related employment losses occur in these industries in the Phoenix and Tucson metropolitan areas as summer approaches and the tourist industry slows, but a slow national economy exacerbated tourism losses in April.

In Arizona's trade industry, both wholesale and retail groups lost employment. Heavy retail trade losses in Maricopa County (-800) were responsible for retail trade's overall sharp drop with most of the decline occurring in the subindustries of food stores, and eating and drinking places; wholesale trade employment in Maricopa County was virtually unchanged. In Pima County, trade lost 200 jobs, including declines in both

(continued on back page)

Table 1
Arizona Labor Force, Employment, and Unemployment Data, April 1992[a]

(In Thousands)

	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Monthly/Yearly Change Mar. '92 - Apr. '92	Monthly/Yearly Change Apr. '91 - Apr. '92
Total Civilian Labor Force[d]	1737.4	1725.2	1711.2	12.2	26.2
Total Unemployment	127.9	145.2	78.6	-17.3	49.3
Unemployment Rate	7.4%	8.4%	4.6%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	7.5%	8.3%	4.8%	—	—
Total Employment	1609.5	1580.0	1632.6	29.5	-23.1
Total Wage and Salary Employment[f, g]	1509.5	1509.5	1505.0	0.0	4.5
Private Sector	1223.6	1223.3	1224.4	0.3	-0.8
Government	285.9	286.2	280.6	-0.3	5.3
Goods-Producing Industries	261.0	259.5	266.2	1.5	-5.2
Manufacturing	168.4	168.8	176.9	-0.4	-8.5
Total Durable Goods	124.8	125.1	133.2	-0.3	-8.4
Stone, Clay, and Glass	5.2	5.1	5.5	0.1	-0.3
Primary and Fabricated Metals	13.5	13.4	14.1	0.1	-0.6
Primary Metals	5.6	5.6	5.9	0.0	-0.3
Fabricated Metals	7.9	7.8	8.2	0.1	-0.3
Machinery	52.7	52.6	55.1	0.1	-2.4
Aircraft and Missiles	22.9	23.6	27.9	-0.7	-5.0
Lumber and Wood Products (Excluding Furniture)	6.4	6.3	6.0	0.1	0.4
Total Nondurable Goods	43.6	43.7	43.7	-0.1	-0.1
Food and Kindred Products	10.0	10.1	9.5	-0.1	0.5
Printing and Publishing	15.5	15.5	15.9	0.0	-0.4
Mining and Quarrying	14.0	14.1	13.5	-0.1	0.5
Copper Mining	11.8	11.7	11.0	0.1	0.8
Construction	78.6	76.6	75.8	2.0	2.8
Service-Producing Industries	1248.5	1250.0	1238.8	-1.5	9.7
Transportation, Communication, and Public Utilities	79.9	79.9	81.3	0.0	-1.4
Transportation	45.4	45.3	46.5	0.1	-1.1
Communications and Public Utilities	34.5	34.6	34.8	-0.1	-0.3
Trade	372.6	373.3	373.0	-0.7	-0.4
Total Wholesale Trade	74.9	75.1	74.8	-0.2	0.1
Total Retail Trade	297.7	298.2	298.2	-0.5	-0.5
General Merchandise and Apparel	49.1	48.7	48.1	0.4	1.0
Food Stores	50.4	51.0	50.1	-0.6	0.3
Automotive and Service Stations	34.6	34.5	33.9	0.1	0.7
Eating and Drinking Places	105.5	105.5	107.2	0.0	-1.7
Finance, Insurance, and Real Estate	91.7	91.5	92.9	0.2	-1.2
Services and Miscellaneous	418.4	419.1	411.0	-0.7	7.4
Hotels and Lodging Places	40.5	40.5	41.4	0.0	-0.9
Business Services	86.7	86.6	83.2	0.1	3.5
Health Services	107.9	108.5	103.9	-0.6	4.0
Government	285.9	286.2	280.6	-0.3	5.3
Federal	45.0	44.9	45.1	0.1	-0.1

Notes and Source: See Table 3

Table 2
Maricopa County Labor Force, Employment, and Unemployment Data, April 1992[a]

(In Thousands)

	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Monthly/Yearly Change: Mar. '92 - Apr. '92	Monthly/Yearly Change: Apr. '91 - Apr. '92
Total Civilian Labor Force[d]	1062.2	1049.8	1062.0	12.4	0.2
Total Unemployment	68.7	78.3	42.6	-9.6	26.1
Unemployment Rate	6.5%	7.5%	4.0%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	6.5%	7.4%	4.1%	—	—
Total Employment	993.5	971.5	1019.4	22.0	-25.9
Total Wage and Salary Employment[f, g]	983.2	983.2	987.8	0.0	-4.6
Private Sector	759.9	761.9	771.7	-2.0	-11.8
Government	146.6	146.9	144.0	-0.3	2.6
Goods-Producing Industries	403.9	404.9	416.2	-1.0	-12.3
Manufacturing	125.9	126.3	133.0	-0.4	-7.1
Total Durable Goods	94.8	95.1	101.9	-0.3	-7.1
Stone, Clay, and Glass	2.8	2.8	3.2	0.0	-0.4
Primary and Fabricated Metals	9.2	9.2	9.8	0.0	-0.6
Machinery	43.9	43.9	46.0	0.0	-2.1
Total Nondurable Goods	31.1	31.2	31.1	-0.1	0.0
Food and Kindred Products	7.2	7.2	6.9	0.0	0.3
Printing and Publishing	10.9	10.9	11.1	0.0	-0.2
Mining and Quarrying	0.8	0.7	0.8	0.1	0.0
Construction	52.0	50.7	49.7	1.3	2.3
Service-Producing Industries	804.5	805.5	804.3	-1.0	0.2
Transportation, Communication, and Public Utilities	55.6	55.5	57.7	0.1	-2.1
Transportation	33.4	33.2	35.1	0.2	-1.7
Communications and Public Utilities	22.2	22.3	22.6	-0.1	-0.4
Trade	244.6	245.4	248.1	-0.8	-3.5
Total Wholesale Trade	56.6	56.6	57.6	0.0	-1.0
Total Retail Trade	188.0	188.8	190.5	-0.8	-2.5
General Merchandise and Apparel	31.0	31.1	30.6	-0.1	0.4
Food Stores	31.9	32.4	32.4	-0.5	-0.5
Automotive and Service Stations	21.4	21.3	21.0	0.1	0.4
Eating and Drinking Places	67.5	67.7	68.9	-0.2	-1.4
Finance, Insurance, and Real Estate	73.2	73.1	74.3	0.1	-1.1
Services and Miscellaneous	284.5	284.6	280.2	-0.1	4.3
Hotels and Lodging Places	24.6	24.9	25.0	-0.3	-0.4
Business Services	70.3	69.9	67.6	0.4	2.7
Health Services	69.8	70.2	67.1	-0.4	2.7
Government	146.6	146.9	144.0	-0.3	2.6

Notes and Source: See Table 3

Table 3
Pima County Labor Force, Employment, and Unemployment Data, April 1992[a]

(In Thousands)

	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Monthly/Yearly Change: Mar. '92 - Apr. '92	Monthly/Yearly Change: Apr. '91 - Apr. '92
Total Civilian Labor Force[d]	324.6	321.4	312.5	3.2	12.1
Total Unemployment	16.2	19.0	10.1	-2.8	6.1
Unemployment Rate	5.0%	5.9%	3.2%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	5.1%	5.9%	3.3%	—	—
Total Employment	308.4	302.4	302.4	6.0	6.0
Total Wage and Salary Employment[f, g]	267.3	267.4	261.2	-0.1	6.1
Private Sector	203.1	203.3	199.2	-0.2	3.9
Government	64.2	64.1	62.0	0.1	2.2
Goods-Producing Industries	41.1	40.8	41.1	0.3	0.0
Manufacturing	23.9	23.9	25.0	0.0	-1.1
Total Durable Goods	18.6	18.7	19.7	-0.1	-1.1
Total Non-durable Goods	5.3	5.2	5.3	0.1	0.0
Mining and Quarrying	2.3	2.3	2.3	0.0	0.0
Construction	14.9	14.6	13.8	0.3	1.1
Service-Producing Industries	226.2	226.6	220.1	-0.4	6.1
Transportation, Communication, and Public Utilities	10.6	10.6	9.7	0.0	0.9
Transportation	6.0	6.0	5.3	0.0	0.7
Communications and Public Utilities	4.6	4.6	4.4	0.0	0.2
Trade	62.6	62.8	61.4	-0.2	1.2
Total Wholesale Trade	9.1	9.1	8.8	0.0	0.3
Total Retail Trade	53.5	53.7	52.6	-0.2	0.9
General Merchandise and Apparel	7.9	7.8	7.7	0.1	0.2
Food Stores	8.3	8.3	8.2	0.0	0.1
Automotive and Service Stations	5.5	5.6	5.4	-0.1	0.1
Eating and Drinking Places	19.3	19.3	19.2	0.0	0.1
Finance, Insurance, and Real Estate	11.7	11.7	11.5	0.0	0.2
Services and Miscellaneous	77.1	77.4	75.5	-0.3	1.6
Hotels and Lodging Places	7.0	7.0	7.0	0.0	0.0
Business Services	12.2	12.5	11.4	-0.3	0.8
Health Services	23.1	23.1	22.6	0.0	0.5
Government	64.2	64.1	62.0	0.1	2.2

Notes:
a) Data on labor force, total unemployment, total employment, and seasonally adjusted unemployment rate should not be used for economic-assistance programs. Data for economic-assistance programs are available by contacting DES, Research Administration
b) Preliminary and subject to revision following month
c) Revised
d) Adjusted to Current Population Survey (CPS) to reflect place of residence
e) Normal seasonal variations have been eliminated to reflect underlying trends
f) By place of work; does not include agricultural workers, self-employed, unpaid family members, and domestic workers
g) Detail may not add up correctly due to rounding
h) Rounded to the nearest one-quarter

Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, May 1992*

Table 4

Non-metropolitan Counties' Labor Force, Employment, and Unemployment Data, April 1992[a,b]

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
Total Civilian Labor Force[d]	**15,625**	**36,150**	**45,200**	**13,825**	**8,400**	**3,425**	**6,500**
Total Unemployment	**2,450**	**3,125**	**3,975**	**1,700**	**750**	**300**	**675**
Unemployment Rate	**15.7%**	**8.6%**	**8.8%**	**12.4%**	**9.0%**	**8.5%**	**10.4%**
Unemployment Rate (Seasonally Adjusted)[e]	**16.6%**	**8.6%**	**10.4%**	**12.3%**	**9.1%**	**8.5%**	**11.5%**
Total Employment	**13,175**	**33,025**	**41,225**	**12,125**	**7,650**	**3,125**	**5,825**
Total Wage and Salary Employment[f,h]	**15,525**	**26,550**	**42,225**	**12,000**	**5,425**	**3,450**	**3,575**
Private Sector	9,750	14,975	28,800	9,000	3,050	2,875	2,600
Government	5,775	11,575	13,425	3,000	2,375	575	975
Goods-Producing Industries	**825**	**2,150**	**4,525**	**3,325**	**375**	**2,300**	**550**
Manufacturing	475	1,125	3,050	1,400	200	25	250
Mining and Quarrying	25	75	150	1,150	0	2,025	50
Construction	325	950	1,325	775	175	250	250
Service-Producing Industries	**14,700**	**24,400**	**37,700**	**8,675**	**5,050**	**1,150**	**3,025**
Transportation, Communications, and Public Utilities	1,675	1,475	2,975	450	150	50	175
Trade	1,700	5,625	10,325	2,650	1,500	325	1,225
Finance, Insurance, and Real Estate	375	625	700	250	125	25	125
Services and Miscellaneous	5,175	5,100	10,275	2,325	900	175	525
Government	5,775	11,575	13,425	3,000	2,375	575	975

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
Total Civilian Labor Force[d]	**38,700**	**27,275**	**39,575**	**12,225**	**41,200**	**62,375**
Total Unemployment	**3,700**	**3,825**	**3,950**	**1,650**	**3,300**	**13,575**
Unemployment Rate	**9.5%**	**14.0%**	**10.0%**	**13.5%**	**8.0%**	**21.8%**
Unemployment Rate (Seasonally Adjusted)[e]	**9.9%**	**15.1%**	**10.4%**	**19.3%**	**8.1%**	**20.7%**
Total Employment	**35,000**	**23,450**	**35,625**	**10,575**	**37,900**	**48,800**
Total Wage and Salary Employment[f,h]	**27,400**	**20,750**	**31,650**	**11,550**	**28,300**	**30,875**
Private Sector	22,625	14,275	21,325	9,625	22,975	22,275
Government	4,775	6,475	10,325	1,925	5,325	8,600
Goods-Producing Industries	**5,175**	**3,225**	**9,100**	**1,300**	**5,425**	**3,025**
Manufacturing	2,575	1,575	2,925	975	2,475	1,700
Mining and Quarrying	25	925	5,425	0	1,025	25
Construction	2,575	725	750	325	1,925	1,300
Service-Producing Industries	**22,225**	**17,525**	**22,550**	**10,250**	**22,875**	**27,850**
Transportation, Communications, and Public Utilities	1,375	1,500	875	725	1,000	1,350
Trade	8,575	4,350	5,725	5,425	8,175	9,775
Finance, Insurance, and Real Estate	1,225	525	600	275	975	1,025
Services and Miscellaneous	6,275	4,675	5,025	1,900	7,400	7,100
Government	4,775	6,475	10,325	1,925	5,325	8,600

Notes and Source: See Table 3

Table 5
Estimated Hours and Earnings of Production Workers, by Selected Industry Groups, April 1992[a]

Arizona

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991
Manufacturing	$444.16	$451.28	$422.50	40.6	41.1	40.2	$10.94	$10.98	$10.51
Aircraft and Missiles	657.12	668.18	653.38	44.4	45.3	45.5	14.80	14.75	14.36
Food and Kindred Products	356.46	360.12	355.27	39.0	39.4	38.7	9.14	9.14	9.18
Primary Metals	488.00	480.73	521.01	40.0	38.8	39.5	12.20	12.39	13.19
Machinery	467.10	479.52	391.95	41.3	42.1	39.0	11.31	11.39	10.05
Copper Mining	656.08	634.25	661.70	44.3	43.0	44.8	14.81	14.75	14.77
Construction	454.86	446.49	442.34	38.0	36.9	36.8	11.97	12.10	12.02
Public Utilities	788.40	788.80	790.32	43.8	42.5	44.5	18.00	18.56	17.76
Retail Trade[d]	280.57	280.03	261.94	32.7	32.6	32.1	8.58	8.59	8.16
Wholesale Trade	395.10	399.38	401.94	37.7	38.0	38.5	10.48	10.51	10.44

Maricopa County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991
Manufacturing	$473.30	$478.61	$445.11	41.3	41.8	41.1	$11.46	$11.45	$10.83
Construction	473.30	467.09	472.36	38.2	37.1	37.4	12.39	12.59	12.63
Retail Trade[d]	299.04	297.26	274.21	33.6	33.4	32.8	8.90	8.90	8.36
Wholesale Trade	402.38	402.95	429.73	37.5	37.8	38.3	10.73	10.66	11.22

Pima County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991	Apr. 1992[b]	Mar. 1992[c]	Apr. 1991
Manufacturing	$430.14	$408.72	$395.92	40.2	39.0	39.2	$10.70	$10.48	$10.10
Construction	400.71	393.10	379.85	37.0	35.9	35.6	10.83	10.95	10.67
Public Utilities	660.17	650.71	635.09	42.4	41.9	41.7	15.57	15.53	15.23

Notes: a) Estimates are based on a sample of full- and part-time production and related workers whose payroll and hours are reported for the pay period that includes the 12th of the month
b) Preliminary and subject to revision following month
c) Revised
d) Excludes eating and drinking places

Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, May 1992*

ARIZONA LABOR MARKET INDICATORS

"Arizona Labor Market Indicators," a quick glimpse at data relevant to Arizona's job market, will appear most months in *Arizona Economic Trends*. Some of the data that had appeared each month in the *Arizona Labor Market Information Newsletter*, such as the U.S. and Phoenix-area consumer price indices, will appear at least once a quarter in *Arizona Economic Trends*. If you need this information more frequently, contact Research Administration at 542-3871.

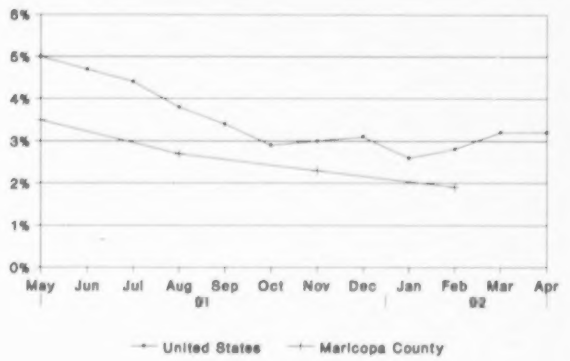
Figure 1

Arizona Continued and New Unemployment Insurance Claims, May 1991-May 1992

Source: *Arizona Dept. of Economic Security, Research Administration, June 1992*

Figure 2

Percentage Change in U.S. (Monthly) and Maricopa County (Quarterly) Consumer Price Indecies, May 1991-April 1992



Sources: *U.S. Dept. of Labor, Bureau of Labor Statistics, May 1992; and Arizona State University, Economic Outlook Center, April 1992*

JTPA Program Assists, Trains Out-of-Work

(continued from page 6)

As for Williams AFB, according to a plan developed earlier this year, Arizona's Title III program expects to serve about 1,500 workers (1,100 civilians) at Williams over the next two years, with the largest number of clients expected to enter the Title III program in October. About 1,000 of the Williams' employees entering the program are expected to be placed and at an average wage of $9 an hour, the plan says. About one-half in the program will receive training, with those with the lowest educational background receiving the highest priority.

For further information on JTPA, read Public Law 97-300 (S. 2036) and subsequent amendments, or contact Arizona's JTPA office for additional information at 602-542-3957.

—Brent Fine
Arizona Economic Trends Editor

Notes:

1. "Companies may slash 700,000 jobs this year," *USA Today*, Jan. 22, 1992, p. B1.
2. "Cooperative Labor-Management Worker Adjustment Programs," U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, 1989, p. 1.
3. "On the Edge of the 21st Century," DES Report Offers Snapshot of Arizona Labor Market by End of Decade," *Arizona Labor Market Information Newsletter*, Feb. 1992, pp 2-6.
4. "Plant closures: efforts to cushion the blow," Bennett Harrison, *Monthly Labor Review*, U.S. Dept. of Labor, Bureau of Labor Statistics, June 1984, pp. 41-43.
5. "Easing the worker's transition from job loss to employment," Ruth H. Fedrau, *Monthly Labor Review*, U.S. Dept. of Labor, Bureau of Labor Statistics, May 1984, pp. 38-40.
6. "Cooperative Labor-Management Worker Adjustment Programs," U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, 1989, p. 1.
7. "Study of the Implementation of the Economic Dislocation and Worker Adjustment Assistance Act," Executive Summary — Phase I Final Report, prepared by Social Policy Research Associates, Berkeley Planning Associates, and SRI International for U.S. Dept. of Labor, Employment and Training Administration, 1992, p. S-1.
8. Ibid, S-2.
9. "Plant Closing: Advance Notice and Rapid Response — Special Report," U.S. Congress, Office of Technology Assessment, September 1986, Appendix B: State and Local Advance Notice Programs, p. 2.
10. Public Law 97-300 (S. 2036), *U.S. Code — Administrative and Congressional News*, Vol 1., 1982.
11. "State defense jobs at risk," *The Arizona Republic*, April 24, 1982, C1. AET

Industry Update

"Industry Update" — featured each month as a service to our readers — is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of industry news is not feasible. In addition, Arizona Economic Trends is not responsible for incorrect information reported by these sources.

Manufacturing

Hughes Aircraft Co. agreed in May to **purchase General Dynamics Corp.'s missile-production business** in San Diego, a move which could eventually lead to additional jobs at Hughes' Missile Systems Group in Tucson. General Dynamics' San Diego operation employs about 4,500 workers. The Arizona Legislature passed a bill in June offering tax incentives to defense businesses that expand operations in the state. The bill was designed to make it attractive for Hughes to consolidate its newly acquired San Diego operations in Tucson. Due to defense cutbacks, however, Hughes still plans to reduce its current Tucson workforce of 4,800 by about 1,000 this year.

The **Kingman Airport & Industrial Park** was chosen in May as the site for a **60,000-square-foot plant that will retread airplane tires** and refurbish aircraft wheels and brakes for a variety of commercial jets and military aircraft. Air Trends Inc., a subsidiary of Goodyear Tire & Rubber Co., expects to begin building the $5 million facility this summer and be operational by the first quarter of 1993. Air Trends says it will initially hire and train about 75 workers — and likely expand to 100 — with an annual payroll of about $1.4 million.

Three out-of-state manufacturing companies — two involving plastics — have **chosen sites in the West Valley** to locate part of their operations. Los Angeles-based **S.E. Rykoff**, which makes and distributes food products, plans to occupy by late summer a 160,000-square-foot building at 1640 S. 39th Ave. The number and type of type of jobs are not available. Meanwhile, **Frem Corp.** of Worchester, Mass., plans to build a 60,000- to 80,000-square-foot facility at 43rd Avenue and Buckeye Road that will make household plastic products, such as laundry baskets and storage crates. About 50 jobs are expected to be created by Frem. Finally, **Carlisle Plastics Inc.** of Boston was expected in May to lease 115,000 square feet at 84th Avenue and Washington Street in Tolleson for a distribution and manufacturing operation. Possibly up to 200 jobs would be created by Carlisle, which specializes in products such as trash bags, plastic hangers, and containers for water and milk.

Phoenix-based **Dial Corp. laid off 60 employees** in its information-systems department in late May. Dial, which employs about 1,000 people in the Valley, will contract out the work with Anderson Consulting of Chicago, which might hire some of the workers.

A designer of educational and entertainment software, **Reidel Software Productions, has moved its company headquarters** from Garden City, N.Y., to Tucson. Reidel, which licenses characters from film and television companies, makes software for a variety of personal-computer systems. No information on expected employment is available.

Construction

Two major developments in Tucson have moved a step closer to reality. **Foothills Resort Properties, Ltd.** has filed a compliance report with Pima County to **build a 400-room resort** and 18-hole golf course on 200 acres at the base of Pima County Canyon. The Stouffer Pima Canyon Resort is expected to produce **600 full-time jobs** and $3 million in tax revenue. Meanwhile, work on the **Rocking K Development** in the Rincon Valley is expected to get under way within two years after the Arizona Supreme Court ruled that a special election for zoning approval is not necessary. Plans call for the building of 10,000 homes and four golf courses, as well as commercial and office complexes.

A California developer completed a deal in May to **purchase 3,000 acres in northeast Scottsdale** for a community expected to have 3,500 to 4,000 homes and 10,000 residents by the year 2,000. The developer, **Newhall Land and Farming Co.**, plans to put in the infrastructure (e.g., utilities, roads), then sell parcels to builders in 1994 or '95. The project, worth more than $1 billion, will be located on land bounded on the north by Bell Road, on the south by Cactus and Thunderbird roads, on the east by the alignment of 124th Street, and on the west by the alignment of 100 Street.

Trade

The **Albertson's supermarket chain** has begun work on 687,000-square-foot **distribution center in Tolleson** at 99th Avenue and Van Buren Street. Scheduled to open in September 1993, the facility is expected to **employ 400** people with an annual payroll of $12 million and serve 36 stores in Arizona and New Mexico and possibly 15 stores in Las Vegas.

As part of a fast-tracked expansion process, **Buy the Yard Interiors Inc.** of Toronto announced plans to **open five to seven stores in Pheonix** with the first outlet expected to open in June. Buy the Yard, which plans to open 200 U.S. stores within three years, sells fabric and home-decorating materials.

Services

The **city of Peoria**, once a sleepy little town west of Phoenix, has awoken and is beginning to flex its muscles. By the middle of 1993, Peoria could have **five new General Motors dealerships** that employ between 250 and 500 workers and the city is in the process of luring at least one, but maybe two major league baseball teams by the 1994 Cactus League season. GM's real-estate division, Argonaut Real-

ty of Thousand Oaks, Calif., signed an option in May to purchase 25 acres on Bell Road west of the Agua Fria Freeway (Loop 101). Zoning approval is expected by mid-summer with construction of the five dealerships expected to take six to nine months. Meanwhile, Peoria is currently trying to swing a deal to become the spring-training home for the Seattle Mariners and San Diego Padres. Seattle is currently looking for a new Cactus League home after leaving Tempe, while San Diego wants to move from Yuma to be closer with other teams based in the Valley.

Phoenix is one of several cities under consideration for a **4,000-employee, customer-service center for Discover Card**. A subsidiary of Sears Roebuck & Co., Discover Card Services Inc. already employs about 1,000 workers at its merchant-related services operation at Los Arcos Mall in Scottsdale. With a change in state's banking regulations in 1989, Arizona has lured several major credit-card operations with the largest, a Chase Manhattan Bank facility, expected to open this year in Tempe and eventually employ about 2,000 people.

Thirty new jobs, primarily part-time, are expected to be created when the **Mandarin Plaza Cinemas opens in Yuma** this fall. The four-screen project, at 3142 Arizona Ave., will only be Yuma's second movie complex, and will generate 200 construction jobs, all from the Yuma area.

When figures are in, the Arizona Motion Picture Development Office anticipates there was a **$10 million drop in money spent in the state on filmmaking** for fiscal year 1991-92, which ended June 30. About $41 million was spent in Arizona in fiscal year 1990-91. A slowdown in Hollywood filmmaking, due partly to less foreign investment, is blamed for the state's dropoff. And the recent cancellation of the television series *The Young Riders*, filmed at Old Tucson, may lead to a further drop in fiscal year '92-'93.

Finance, Insurance, and Real Estate

Bank of America Arizona plans to close 21 branches in the state, 16 in Maricopa County, beginning in August as part of its consolidations plans with the recent merger of Bank of America Corp. and Security Pacific Corp. The move follows the sale of 49 branches and their assets to Independent Bancorp, a bank owned by a group of California investors. Bank of America Arizona will have about 150 branches statewide when the latest closures are completed.

Transportation, Communications, and Public Utilities

MCI Telecommunications Corp. plans to add 400 positions to its national marketing operation in Phoenix and relocate to the Colonnade Mall at 20th Street and Camelback Road. MCI, which has a current workforce of 200 in Phoenix, will move by summer into a remodeled 60,000-square-foot facility that was formerly a Joske's department store.

As of early May, **Southwest Airlines was way ahead of schedule in its hiring plans** for 1992 for its Phoenix operations, having added 475 of an expected 600 new workers. The Dallas-based carrier is expected to have about 2,500 Valley employees by year end as it comes closer to opening a new maintenance facility at Sky Harbor Airport. Thirty of an estimated 200 workers initially needed for the maintenance facility had been hired as of early May.

Phoenix-based **Swift Transportation Co.**, with 1,850 tractors and 4,000 trailers, **continues to expand its operations** and see its revenues jump. Swift recently purchased Arthur H. Fulton Inc., giving Swift terminals in New York City and Richmond, Va., and has picked up several new major clients, including Anheuser-Busch, Miller Brewing Co., and Michelin Tire Corp. Swift employs 2,500 drivers and 600 other workers.

Government

The **U.S. Census Bureau opened a survey center in Tucson in May**, which will employ about 100 workers by the end of 1992 and will eventually employ 250 people. The 11,000-square-foot facility at 6363 S. Country Club will conduct surveys on subjects ranging from employment to crime and will use a 30 percent bilingual workforce to obtain more information on Hispanics. Pay for entry-level, full- and part-time workers will range from $6.77 to $7.45 an hour. AET

LMI PUBLICATIONS

The following revised publications, prepared by the Department of Economic Security, Research Administration, can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge. DES offices can order directly from DES Supply.

1991 Wage Surveys

Research Administration conducted wage surveys for the entire state for the first time in 1991. Regional summaries include: Maricopa County (PAL-542); Pima County (PAL-543); Yuma, Pinal and Gila Counties combined (PAL-544); and Balance of State (PAL-545). A statewide summary (PAL-546) is also available.

Each survey includes a sample of employers with 20 or more employees from all industries. There were 203 occupations represented in the statewide summary.

Annual Planning Information

The *Annual Planning Information* (*API*) guide (PAL-327) for 1992-93 is expected to be available to the general public by mid-July. This publication covers a variety of demographic data. However, population tables related to economic data still do not reflect 1990 census adjustments. Economic tables from the 1990 census are expected to be distributed by the Bureau of the Census in mid- or late-July. Future issues of the *API* will be updated in odd calendar years.

Jobless Rate Fell Sharply in April

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the retail and wholesale sectors.

Unlike the southern part of the state, the approach of the summer tourist season accounted for strong gains in services and trade in the northern counties as a whole in April. Trade gained 800 jobs due to an increase of 500 jobs at eating and drinking establishments, while services increased by 200 as a result of a gain of 300 hotel jobs.

Arizona's FIRE group had moderate over-the-month employment growth for the month (200) with strong employment gains in the finance sector (350) being partially offset by losses in the real estate and insurance sectors.

Maricopa County had a similar situation in FIRE with a modest overall gain in FIRE thanks to 250 additional jobs in the finance sector offsetting losses in the real estate and insurance sectors. And throughout the state's non-metropolitan counties (all but Maricopa and Pima), jobs gains in the finance sector proved fairly strong as consumers and businesses took advantage of attractive lower interest rates.

Arizona's manufacturers continued to lose jobs in April, but at a diminishing rate over the last three months. Manufacturing lost 400 jobs, most of which, not surprisingly, occurred in the aircraft and missiles sector. Of these losses, almost 80 percent occurred in Maricopa County.

Manufacturing sectors in Maricopa County showing major employment gains were lumber and wood, fabricated metals, machinery, and chemicals. In Pima County, manufacturing employment remained unchanged with job gains occurring primarily in "aggregates" (e.g., stone, clay, and glass) and machinery, as well as other non-durable goods sectors. Statewide, apparel manufacturing suffered sizable job losses.

In summary, Arizona's employment picture in April continued to show signs of improvement with the significant decline in the unemployment rate an encouraging signal. The construction industry led the way with sizable job increases the past two months, while trade and services are still reflecting the impact of a slowed national economy on Arizona's tourism industry.

Meanwhile, manufacturing continues to show the effects of defense cutbacks, though since January the over-the-month rate of decline appears to be slowing as some manufacturing sectors continue to hold their own, particularly those connected with a rebounding housing market. AET

—Don Webbey,
RA Economist

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The purpose of *Arizona Economic Trends* is to provide an update and analysis of state and county employment and economic data, as well as information on state and national programs and policies that affect the nation's and Arizona's labor markets. Included in this publication twice yearly are Research Administration's two-year projections of employment, unemployment, and labor force for Arizona and its major sub-state regions.

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